

# MAINE STATE LEGISLATURE

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*J. G. French*

*See opinion dated May 19, 1967.*

September 3, 1969

**Einar W. Campbell, Commissioner**  
**Harry M. Starbranch, Assistant**

**Banks and Banking**  
**Attorney General**

**Legal Investments for Savings Banks**

**SYLLABUS:**

A particular security falling within a category established by 9 M.R.S.A. §§ 622 through 633 that does not meet the qualifications of such category may not be purchased under the authority of the prudent man section (9 M.R.S.A. § 634).

**FACTS:**

Title 9 M.R.S.A. Ch. 52, enacted by Public Laws, 1969, Ch. 401, controls the investments of Maine savings banks in securities.

Title 9 M.R.S.A. § 634, the prudent man section, which is included in the aforementioned Chapter 52, provides that savings banks may invest:

"§ 634. Other prudent securities.  
In such securities as the trustees consider to be sound, prudent investments, the making of which would not otherwise be legal but for this section. Not more than 10% of the deposits of a bank shall be invested in securities within the coverage of this section."

**QUESTION:**

May a particular security falling within a category established by 9 M.R.S.A., §§ 622 through 633, but not meeting the qualifications of such category be purchased under the authority of the prudent man section?

**ANSWER:**

No.

**REASON:**

The following wording contained in 9 M.R.S.A. § 634, to wit: "the making of which would not otherwise be legal but for this section" is a reference to securities other than those falling within the categories established by 9 M.R.S.A. §§ 622 through 633. If a security falls within such a category, it must qualify under that specific section.

This department has previously issued a similar opinion on May 19, 1967 where the wording "in other securities" was contained in the statute in question. The reasoning of that opinion is hereby affirmed and adopted by this opinion as the issue is essentially the same.

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